

Annual Report

CALSTARS



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Introduction

The CALSTARS Annual Report provides CALSTARS agencies with a summary of system operational activities and development efforts during the previous calendar year. In part, this document represents our commitment to continue the strategic development of CALSTARS on behalf of its client agencies. Through this effort, significant workload savings are achieved for each agency and for the State in general.

Several projects were completed and installed in 1999. These include the Past-Year Schedule 10 Interface and Past-Year Schedule 10R Reporting, the Report Distribution System, the Security System Upgrade: Resource Access Control Facility (RACF), and the Vendor Y2K Software Testing projects. Also, most of the functionality of the Automated Monthly SCO Reconciliation project has been developed and installed. A discussion of these projects is contained in the System Changes section of this report.

This year significant effort was devoted to extensive testing of the entire CALSTARS system using Y2K testing software to simulate Y2K dates. While the CALSTARS system application programs were made Year 2000 compliant during the conversion to ADABAS/Natural, this final testing could not be completed until Y2K compliant versions of the vendor software products used by CALSTARS were released by vendors and installed at the Health and Human Services Data Center (HHSDC, formerly HWDC).

Last year, we reported that Department of Finance and State Controller's Office (SCO) staff began work on an Electronic Claim Schedules project. The business requirements for electronically processing claims schedules have been documented and a conceptual design has been developed. A pilot operation is planned for mid-2000.

We look forward to moving into the new millennium, getting past the Y2K issues, and focusing on additional changes and enhancements to increase the functionality and benefit of CALSTARS for our client agencies. Planned future developments are identified in our Annual Plan which is updated each year in July. The Annual Plan and other CALSTARS information is available through the Department of Finance website at <http://www.dof.ca.gov>.

General

The CALSTARS Annual Plan was updated in July 1999. It reaffirms the basic mission of CALSTARS, outlines objectives/strategies for accomplishing that mission, and identifies specific activities needed to meet those objectives. A copy of the updated Annual Plan was sent to each CALSTARS agency in July.

We also continue to make available a one-page leaflet that is a quick summary of CALSTARS capabilities. It describes what CALSTARS is, who we are, and the services we provide. It is intended for a general audience.

For copies of the updated Annual Plan or the CALSTARS leaflet call (916) 445-0211, Extension 2812. The Annual Plan is also available from the CALSTARS website.

Also, the CALSTARS Advisory Council continues to meet. The CALSTARS Advisory Council consists of representatives of CALSTARS client agencies with the chair being the Assistant Program Budget Manager, Department of Finance, CALSTARS. The Council continues to meet periodically to:

- ★ Provide responsible representation for their departments and the State in general.
- ★ Serve as an advisory group to the Department of Finance, CALSTARS, for the continued strategic growth in the development, maintenance and operation of the CALSTARS system.
- ★ Raise issues, identify problems and discuss alternative solutions to key issues/problems.
- ★ Provide a means of keeping representative departmental fiscal management informed on the progress of CALSTARS projects and activities.

The minutes from the Advisory Council meetings can be found at the CALSTARS website.

System Changes

One of our highest priorities is the efficient and cost-effective daily operation and maintenance of the CALSTARS system. Beyond that, the majority of our system development resources are devoted to the projects described in the CALSTARS Annual Plan.

In addition, this year we conducted extensive testing of the entire CALSTARS system in the HHSDC Shared System environment using Y2K testing software to simulate Y2K dates. This testing was then duplicated in a separate HHSDC Y2K Logical Partition (LPAR) of the shared system, which simulates a completely separate physical computer system in the year 2000. The results of the system processes in both tests were compared to ensure there were no differences. In addition, the Department of Information Technology (DOIT) completed their Detailed Department Assessment and concurred with our assessment that CALSTARS had been remediated, tested, and determined to be Y2K compliant. We also participated in a test of the communication facilities between the Teale Data Center and HHSDC for Y2K compliance.

During 1999 the following projects were completed:

- ★ **Past-Year Schedule 10 Interface and Past-Year Schedule 10R Reporting**—Agencies are required to complete Past-year Supplementary Schedule of Appropriations (Schedule 10) and Supplementary Schedule of Revenues and Transfers (Schedule 10R) for the development of the Governor's Budget. The automated CALSTARS Schedule 10 and Schedule 10R reports N10, N11, N20 standardize the reporting process, ensure that the budget data matches the year-end financial statements, save agency staff time, and are the first steps for interfacing CALSTARS with budget applications within DOF.
- ★ **Report Distribution System**—The final phase of this project, enhancement of the online report request process, was installed this year. A report can now be requested for several different output destinations through a single request (e.g., agency print, report dataset, microfiche). These output destinations can also be specified for each System Generated report.
- ★ **Security: Resource Access Control Facility (RACF)**—Agency staff now access CALSTARS through new RACF User ID's. Implementing full RACF security enables us to better manage access to the system, satisfies a requirement of many software products under consideration for CALSTARS and moves us a step closer to our stated strategic direction to provide access to CALSTARS over the Internet.

★ **Vendor Y2K Software Testing**—The CALSTARS system application programs were made Year 2000 compliant during the conversion to ADABAS/Natural. However, Y2K compliant versions of the vendor software products used by CALSTARS were released by vendors and installed at HHSDC this year. As installations occurred, we tested these software products with the CALSTARS production system.

In addition, system changes were installed this year as part of the phased implementation of another major project contained in the Annual Plan.

★ **Automated Monthly SCO Reconciliation**—Two of the three reports planned for the Automated Monthly SCO Reconciliation process were installed this year. Appropriation activity and balances electronically received from the SCO are compared to the activity and balances in CALSTARS. Unmatched records and unbalanced accounts are identified on these reports for agency action. This saves significant staff time in the identification of problem areas and enables staff to focus on resolving the problem areas, such as entries not posted or posted for the incorrect amount. The third report providing summary account balance comparisons will be available during the first quarter of 2000.

Other changes not directly related to projects in the Annual Plan were installed this year:

★ The Appropriation Symbol (AS) Table generate function was enhanced to automatically update additional fields in the new year table records created for Budget Act appropriations. This enhancement eliminates staff time previously needed to manually update the table records.

★ A new AS Table process was created to automatically update Budget Act AS Table records for the new year with the Budget Act chapter number as soon as it is available. As for the previous change mentioned above, this new process eliminates staff time previously needed to manually update the table records.

Other activities include the development of standardized procedures for the creation and electronic upload of CALSTARS transactions from PC based application software, and participation in the department's Fiscal Manager's Seminar for various levels of fiscal management staff in the state departments.

Other work continues on a variety of projects included in the Annual Plan. These include the Automated Bank Reconciliation, History File Search Facility, DGS Invoice Automated Print Process, Standard Report Data Element Select Capability, On-line Screen Redesign, and On-line Functionality for Electronic Commerce. We also continue to participate in the SCO's project for Electronic Claim Schedules.

TCP/IP and Dial-Up

CALSTARS currently uses IBM's Systems Network Architecture (SNA) protocol for communications between the HHSDC and our client agencies. Transmission Control Protocol/Internet Protocol (TCP/IP), on the other hand, has become the industry standard for Internet and NT-based software communications. Because CALSTARS has made the strategic decision to provide access over the Internet and because we are currently evaluating various NT-based software products, CALSTARS agencies will need to convert to the TCP/IP protocol in order to take advantage of these new features/products. We expect to begin deployment sometime during the latter part of 2000.

Many CALSTARS agencies are already using the TCP/IP protocol. For those who are not, the conversion is not difficult, requiring either a change in the type of communications controller used, or establishing communications through an agency NT server. In most cases, this conversion will result in overall lower communications hardware and software costs. It is expected that the NT-based software under evaluation by CALSTARS will dramatically increase the amount of information/data to be transmitted, which will probably require a higher communications line speed. However, recent decreases in communications costs over the past few years at HHSDC, should minimize any cost increases. For the foreseeable future, we will continue to support the SNA protocol for those agencies not needing Internet access or any other NT-based software.

Dial-up, using modems and regular phone lines, is an alternative method to access CALSTARS. We recently announced the availability of this type access in a letter to all agencies dated September 30, 1999. Although we do not recommend this type of connection for normal, office-based access to CALSTARS, it can be a cost-effective solution for remote office locations, staff working temporarily out-of-office on emergency assignments, staff at home for telecommute or other reasons, or during instances when normal communications are inoperable.

Monarch

Now in its third year, the use of Monarch for Windows continues to increase in the world of CALSTARS. CALSTARS client agencies have made significant improvements to their internal reporting processes by using Monarch as a PC tool to extract data from CALSTARS standard reports or history and operating file data. To date, 75 CALSTARS agencies have purchased a total of 450 copies of Monarch for Windows.

The CALSTARS/Monarch Users Group meets once a month and now totals a membership of 239, representing 70 CALSTARS agencies. This users group continues to share information on the innovative uses of Monarch. It also serves as a forum for agency staff to voice comments or suggestions for further enhancement to CALSTARS. The minutes from the CALSTARS/Monarch Users Group can be found at the CALSTARS website.

The CALSTARS/Monarch Users Group continues to prompt new and exciting functionality in CALSTARS. During 1999, for example, the Standard Report Selection (Function 91) process was modified to allow for additional output destinations (options) for each version of each report ordered on a daily basis. The available output destinations are: Agency Printer, Report Dataset, Same day Report File, Headquarters Printer, Data Center Laser Print, Microfiche, Same day Printed Report, and, Remote Job Entry print. All output destinations are also available for CALSTARS TABLES and System Generated reports.

During the first quarter of 2000, Datawatch Corporation will release Monarch Version 5. Monarch Version 5 will include long awaited enhancements:

- ★ The ability to join reports.
- ★ Import into Monarch directly from an ODBC compliant database.
- ★ Long field names (up to 62 characters long).
- ★ New Operators “IN”, “NOT IN”, and “BETWEEN.”
- ★ The ability to set an upper limit of rows that appear in the Monarch Table window.
- ★ The ability to do “sorts” by “Summary View.”

In March 1999, CALSTARS obtained an NT Server and in April 1999, began the evaluation of Monarch Enterprise Solution (ES) and Monarch ES Web. Monarch ES is a report archival and retrieval system where reports are housed on the NT Server and can be delivered electronically and/or displayed on a PC screen rather

than on paper. Monarch ES Web allows the viewing of reports over the Internet. The evaluation concluded that Monarch ES/ES Web has excellent security and storage and archive capabilities, can replace agency microfiche, and eliminate duplicate printing of reports. The latter has potential for significant cost savings to CALSTARS agencies. Further, Monarch ES retrieval of reports is very user friendly.

The next phase is work with HHSDC for support of NT Servers so that we can pilot Monarch ES/ES Web in five to six CALSTARS agencies. We plan the pilot phase to begin in the 2nd quarter of 2000 for a two to four month period.

In October 1999, we installed the Professional Version of Monarch Data Pump on the CALSTARS NT Server. The NT server edition of Data Pump provides the capability to populate and refresh data marts and data warehouses. It includes ODBC data connectivity features for Sequel Server, Oracle, Dbase, etc. and network administration capabilities. The evaluation of the Data Pump will conclude in early 2000.

During 1999, 13 Monarch training classes were conducted by a CALSTARS staff person who is a Monarch Trainer certified by the Datawatch Corporation. The Monarch classes are in high demand and waiting lists have been established. Monarch Training is available to all employees of a CALSTARS agency. See COM 99-13 for the current class schedule. All classes are "Hands on" with the certified Monarch trainer leading the participants interactively through basic and advanced operation of Monarch. Students learn how to read report file data, create data extraction templates, query, filter, sort, summarize, and export data for use with other PC applications. The tuition fee is \$200 per participant.

Communications with Agencies

We communicate with CALSTARS agencies through the on-line NEWS, CALSTARS Operations Memos (COMs), updates to the CALSTARS Procedures Manual (CPM), and through access to the Department of Finance web pages on the Internet. These communication methods are discussed in the following paragraphs.

CALSTARS On-line News - In addition to the Daily Operation Status messages, there were 249 announcements on the News. Of those, 148 were bulletins and 101 were job opportunities containing 253 positions. The following is a comparison of positions advertised last year and this year by general classification.

Classification	1998	1999	Change
Accounting Administrator or equivalent	12	13	1
Senior Accounting Officer	38	36	-2
Accounting Officer	32	38	6
Accountant I	36	41	5
Professional other than accounting	10	9	-1
Accounting Technician	56	66	10
Senior Account Clerk/Account Clerk II	34	37	3
Office support	11	13	2
Total	229	253	24

The CALSTARS News continues to be a popular method of advertising vacancies.

CALSTARS Web Page—If you have not already noticed, we recently redesigned our CALSTARS web pages. This redesign was completed to better organize the pages, improve navigation through the pages, and reduce the level of maintenance activity. We also think we “perked-up” the pages. There is a great amount of helpful information contained on our site, including our Annual Plan, Annual Report, CALSTARS contacts, CALSTARS Advisory Council, CALSTARS/Monarch user group, various CALSTARS documentation, training, and much more. Take a look (www.dof.ca.gov/html/calstars/index.html) and bookmark the site for future use. When you have a minute, send us an e-mail and tell us what you think.

Reportable Payments

The Reportable Payment process was run as scheduled on December 16, 1999. Agencies processed 216,941 reportable payment transactions during the year. On behalf of all CALSTARS agencies, we electronically reported over 16,229 information returns (Form 1099) totaling \$2.7 billion to the Franchise Tax Board (FTB) and the Internal Revenue Service (IRS). This consolidated filing is beneficial to CALSTARS agencies because they no longer need to individually:

- ★ Prepare and mail the 1099 form to each vendor that receives reportable payments from the agency.
- ★ Report the information to the FTB and IRS.

Client Support

The Quality Implementation Check (QIC) Review program continued this past year. A 'QIC Review' is an agency-requested CALSTARS staff review of an agency's accounting practices and/or procedures. We began the year with eight active QIC's. We began three new reviews, completed four, continued work on seven still active. In all, we spent over 600 hours in QIC support.

In addition to QIC support, we provided over 2500 hours of short term agency requested support to over thirty agencies.

CALSTARS Staff have made plans and preparations for the CALSTARS implementation in the Department of Financial Institutions, Veterans' Home of California-Chula Vista, and Department of Managed Care. An Office Revolving Fund (ORF) implementation was also completed for Department of Fish and Game.

CALSTARS Staff developed procedures to assist agencies wishing to prepare electronic data files for upload directly into the system. These procedures were demonstrated to interested agencies and are available upon request.

We provided four statewide briefings on the new CSTARN10 and N11 reports and their relationship to past-year Schedule 10 budget reporting.

CALSTARS Staff maintained the HOTLINE each state working day from 8:30 a.m. until 4:30 p.m. and eight Saturdays in July and August from 8:00 a.m. until 1:00 p.m. Agencies can now access the HOTLINE by telephone or e-mail at HOTLINE@dof.ca.gov.

Training

CALSTARS training classes continue to be available at no direct cost to CALSTARS agencies, except for the Monarch class. Through the CALSTARS Training System and ten personal computers in our training room, we can simulate all parts of the Production CALSTARS system. We use the "Hands on" training technique in nearly every class. Two professional analysts are assigned full time to the training function. See COM 99-13 for a list and schedule of classes. The description and schedule of classes are also available through the CALSTARS website.

Significant improvements have been made to the CALSTARS training facilities this year. A Windows NT LAN was installed and the PC's were upgraded. The PC's in the training room used for the CALSTARS training classes and the PC's in the room for the Monarch training are connected to the LAN. Since these two rooms are separated by a retractable partition, we now have more flexibility in scheduling and conducting all training classes. In addition, the lighting in both rooms was improved and a speaker system and a PC projection system were installed.

The following table shows the number of classes conducted and students attended classes over the past two years:

Track	Class Title	1998		1999		Change	
		Classes	Student	Classes	Student	Classes	Student
I	CALSTARS Overview	9	157	8	160	-1	3
II	CALSTARS Tables	1	5	3	51	2	46
III	Detailed Accounting	7	126	6	104	-1	-22
IV	Labor Distribution Subsystem	3	40	2	30	-1	-10
V	SCO Reconciliation/ Month-end Close	2	35	2	29	0	-6
VI	Office Revolving Fund and Checkwriter Subsystem	2	36	4	65	2	29
VII	Cash Receipts and Accounts Receivable	0	0	3	54	3	54
VIII	Operating Transfers, Bonds and Loans ¹	0	0	2	36	2	36
YEC 1	Planning for Year-end Closing - 1/2 day	10	184	9	169	-1	-15
YEC 2	Preparing Year-end Statements-1, 2, or 3-day Session	17	263	16	277	-1	14
	Monarch for Windows	11	87	11	98	0	11
Totals, All Classes		62	933	66	1,073	4	140
Total Student Days²		1,658		1,966		308	

¹ On demand. Requires at least 10 students.

² Defined as the number of days of training in each track multiplied by the number of trainees in each track.

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		<p>The Detailed Accounting class (Track III) was changed again this year from a 4-day to a 3-day class. The accounts receivable and cash receipts material previously in the Track III class is now presented in a 1-day Track VII class. These changes were, in part, at the suggestion of agency staff to segregate the training subjects to better match separation of individuals' duties and responsibilities. These changes appear to be working well.</p> <p>We recognize one of the key ingredients to a successful accounting operation is a well-trained staff. We are striving to assist in this regard by providing needed training to all agencies. Most of our scheduled classes fill quickly, and we are maintaining waiting lists for several classes. Due to this demand for training and the limited resources in the CALSTARS Training Unit, we continue to ask that the number of registrants within each track be limited to four participants per agency. Because of this policy, agencies should give priority to accounting office staff with direct duties and responsibilities related to the class topic.</p>	

Daily Operations

The 1999 calendar year was yet another successful processing year for CALSTARS. No major system problems were encountered and, with very few exceptions, all daily processing was completed on time. The table below provides some of our processing statistics and highlights several very positive processing trends.

CALSTARS Processing Statistics				
	1998	1999	Change	% Change
Total Transactions Processed	26,765,924	27,650,209	884,285	3.3%
Standard Reports	200,361	172,924	-27,437	-13.7%
“N1” Reports (print immediate/local)	55,411	55,665	254	0.5%
“F1” Report Files	10,906	16,700	5,794	53.1%
Microfiche: Originals	294,121	283,822	-10,299	-3.5%
Duplicates	326,588	294,605	-31,983	-9.8%
Paper Usage (Pages printed at HWDC)	8,475,380	7,014,871	-1,460,509	-17.2%

- ★ **Total Transactions Processed:** We use this count as one of the benchmarks for overall workload coming in to our client agencies. This count has consistently increased by three to five percent over the past few years.
- ★ **Standard Reports:** The number of Standard Reports requested has decreased significantly, which we attribute primarily to the huge increase in “F1” reports.
- ★ **“N1” Reports:** “N1” report requests seem to have flattened out from last year. The large number of requests, however, clearly demonstrates the popularity of this capability.
- ★ **“F1” Reports:** “F1” report requests increased dramatically. This is a very positive indication of the success of the CALSTARS Monarch support program.
- ★ **Paper Usage:** The significant reduction in pages printed at HHSDC is a direct result of agencies ordering fewer paper reports and/or printing reports at their local printers. In either case, the result is reduced paper/printing costs to agencies.

Please refer to the CALSTARS web page titled “Operational Tools” (the address is www.dof.ca.gov/html/calstars/optools.htm) for various tools and techniques to assist in the timely and accurate operation of CALSTARS.

Costs

CALSTARS system processing costs remained essentially the same for 1999, up only 0.2 percent from 1998. Within the total increases, CPU charges were up 4.3 percent and disk/tape storage were up 18.2 percent. We attribute these increases to our extensive Y2K testing during most of the year. Disk/tape storage costs also increased because of the monthly SCO files for the SCO Reconciliation, CD102, and Bank Reconciliation (test files) processes; a significant increase in the number of external transaction files received from agencies, and the large number of requests for "F1" report files. Significant cost decreases this year were HHSDC print down 14.8 percent, microfiche down 3.8 percent, and communications down 10.0 percent. The lower print and microfiche costs reflect the reduced utilization of these two items (see previous section). The reduction in communications costs is largely attributed to agencies' migration from Master Rental Agreement equipment to LAN-based PCs, servers, and printers.

We are working on or planning the following projects this next year to further reduce system costs.

- ★ Monarch ES and SAR: Fully implement these products that store report files electronically and will significantly reduce the need for hardcopy print and microfiche.
- ★ VSAM Bridge: Convert our remaining VSAM files to ADABAS, which provides significantly better storage efficiency.
- ★ Completion of Y2K testing: Delete all Y2K test files and databases.

Recently, HHSDC informed us of their proposed rate changes for fiscal year 2000-01. Based on those rates, the overall data processing cost of CALSTARS is estimated to increase by 13.3 percent. However, as part of that overall increase, print rates are proposed to jump by 76 percent. Disk storage rates, on the other hand, are to drop by 12.5 percent. We will be meeting with HHSDC to more fully understand the specifics and rationale behind these changes. However, assuming they will come into effect in July 2000, we will be even more aggressively pursuing the Monarch ES and SAR solutions to offset this increase.